

HOUSE BILL 1082

C4

11r1745

By: **Delegates Braveboy and Hucker**

Introduced and read first time: February 11, 2011

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2011

CHAPTER _____

1 AN ACT concerning

2 **Homeowner's Insurance – Model Information – People's Insurance Counsel**

3 FOR the purpose of requiring ~~that the People's Insurance Counsel Division shall have~~
4 ~~access to certain information in certain insurer filings concerning rates,~~
5 ~~issuance, and renewal of homeowner's insurance~~ certain insurers to make
6 arrangements for the vendor of a certain risk planning model to explain to the
7 People's Insurance Counsel the data used in the model and the manner in which
8 the output is obtained; requiring the ~~Division~~ People's Insurance Counsel to
9 maintain the confidentiality of certain information; and generally relating to
10 homeowner's insurance, risk planning models, and the People's Insurance
11 Counsel ~~Division~~.

12 BY repealing and reenacting, with amendments,

13 Article – Insurance

14 Section 19–211

15 Annotated Code of Maryland

16 (2006 Replacement Volume and 2010 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Insurance**

20 19–211.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) (1) If an insurer uses a catastrophic risk planning model or other
 2 model in setting homeowner's insurance rates or refusing to issue or renew
 3 homeowner's insurance because of the geographic location of the risk, the insurer
 4 shall:

5 (i) file with the Commissioner a description of the specific
 6 model used in setting the rate or refusing to issue or renew homeowner's insurance
 7 because of the geographic location of the risk; and

8 (ii) make arrangements for the vendor of the model to explain to
 9 the Commissioner AND THE PEOPLE'S INSURANCE COUNSEL the data used in the
 10 model and the manner in which the output is obtained.

11 (2) If at any time an insurer changes the catastrophic risk planning
 12 model or other model upon which it is relying, the insurer shall notify the
 13 Commissioner of the change and comply with paragraph (1) of this subsection.

14 (b) ~~IF THE PEOPLE'S INSURANCE COUNSEL DIVISION DETERMINES~~
 15 ~~THAT THE INTERESTS OF INSURANCE CONSUMERS ARE AFFECTED BY AN~~
 16 ~~INSURER FILING THAT USES A CATASTROPHIC RISK PLANNING MODEL OR~~
 17 ~~OTHER MODEL, THE DIVISION SHALL HAVE FULL ACCESS TO FILINGS MADE~~
 18 ~~UNDER SUBSECTION (A) OF THIS SECTION.~~

19 ~~(c)~~ (1) The information filed under subsection (a) of this section is
 20 proprietary and confidential commercial information under § 10-617(d) of the State
 21 Government Article.

22 (2) ~~THE PEOPLE'S INSURANCE COUNSEL DIVISION SHALL~~
 23 ~~MAINTAIN THE CONFIDENTIALITY OF ANY PROPRIETARY AND CONFIDENTIAL~~
 24 ~~COMMERCIAL INFORMATION TO WHICH THE DIVISION PEOPLE'S INSURANCE~~
 25 ~~COUNSEL OBTAINS ACCESS UNDER SUBSECTION ~~(B)~~ (A) OF THIS SECTION.~~

26 ~~[(c)] (d)~~ The Commissioner may adopt regulations to implement the
 27 provisions of this section.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 29 June 1, 2011.